

# Pet Sitting Business

Pet Watchers Inc.

29 Pine St., # 4  
Montgomery Ridge, MN 55489

*Paul Greenland*

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## EXECUTIVE SUMMARY

### Business Overview

Just as there are many benefits associated with pet ownership, there also are many responsibilities. Irregular work schedules, business trips, and vacations can present challenges for pet owners who must balance such demands with the needs of their pets.

Pet Watchers is a pet sitting business. Instead of pet owners bringing their animals to a kennel or boarding facility while they are away, we provide a variety of in-home services that allow their pets to stay in a safe, familiar environment. Our services include everything from periodic daily visits to overnight stays. In addition to feeding and walking pets, we administer medications and take pets to grooming or veterinarian appointments. We also offer concurrent “home sitting” services for our clients, such as bringing in mail, turning on and off lights, and watering plants.

Pet Watchers is a new business established by Brian and Anita Phillips. After retiring from a 20-year law-enforcement career that included service as a K-9 officer, Brian began searching for a new opportunity that would allow him to continue interacting with the public. A part-time veterinary technician, Anita had been thinking about establishing her own business for several years. After many conversations and a great deal of research, the Phillips decided that pet sitting would not only satisfy their interests and needs, it also would leverage their existing skills.

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## MARKET ANALYSIS

According to the American Pet Products Association’s 2009-2010 *National Pet Owners Survey*, an estimated 45.6 million U.S. households owned dogs. In all, Americans owned 77.5 million dogs. Pet industry expenditures, which totaled \$43.2 million in 2008, reached \$45.5 million in 2009, and were expected to total \$47.7 million in 2010.

## PET SITTING BUSINESS

According to data from Elliot Greenfield Research Inc., the community of Montgomery Ridge included approximately 3,649 households in 2009. Using formulas from the 2007 *U.S. Pet Ownership & Demographics Sourcebook*, the community includes an estimated 2,095 pet-owning households. More specifically, this total includes 1,357 dog-owning households; 1,182 cat-owning households; and 142 bird-owning households. Based upon population projections, these figures are expected to remain relatively flat through 2014, when the community will consist of 3,792 households (a 3.7% increase from 2009).

Montgomery Ridge is an excellent market for pet sitting services. In 2009 the average household income was \$155,646. This is expected to increase 11.7 percent by 2014, reaching \$173,931. In 2009 an estimated 19 percent of households had incomes between \$100,000 and \$149,999. The largest category consisted of households with incomes of more than \$150,000 (37.1%).

In addition to targeting working professionals, Pet Watchers also will focus on promoting its services to several other key segments which, according to the industry association Pet Sitters International, represent the greatest demand for pet sitting services. These include:

- Couples without children
- Couples with children
- Single Females

The majority of residents in Montgomery Ridge are professional/white-collar workers (85.4%) who lead busy lives. Oftentimes, these individuals work long hours and have commitments that keep them away from home during the evening. They also travel frequently for business purposes.

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## INDUSTRY ANALYSIS

For 16 years, the pet sitting industry has been served by a member-based association called Pet Sitters International (PSI) that “promotes excellence in pet care through education.” The organization benefits its members by offering an accreditation program, as well as a Pet Sitter Locator on its Web site that receives approximately 30,000 hits per month.

According to an industry survey conducted by PSI in 2008, pet sitting businesses make more than 17 million visits to clients each year. The majority of industry businesses are independently owned (98%).

The survey indicated that the most popular services requested by clients include:

1. Basic pet care
2. Dog walking
3. Care of special needs pets
4. Pet transportation service
5. Overnight pet sitting
6. House sitting with no pet
7. Errand services
8. Pooper scooper services

PSI further reports that, on average, industry players serve approximately 190 clients, and generate gross revenue of roughly \$37,000.

Another leading industry association is Professional United Pet Sitters, which offers a lifetime membership, a message board, forms, a directory listing, and more.

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## PERSONNEL

The best pet sitters share several key characteristics. Specifically, these are:

- Patience
- Flexibility
- Caring
- Trustworthy
- Reliability

As individuals, the Phillips naturally have all of these traits, which have been honed over the years during their careers in law enforcement and the veterinary sciences.

### Owners

#### Brian Phillips

After earning an undergraduate degree in criminal justice and graduating from the police academy, Brian Phillips spent the first eight years of his career working as a regular police officer in Brighton Park, Minnesota. However, his love for animals inspired him to apply for a position with the K9 unit, where he worked with a number of different dogs, including a 75-pound German Shepherd named Duke who was cross-trained for both patrol and narcotics searches. Ultimately, Phillips was promoted to sergeant and given responsibility for the K9 unit, which included five dogs. Following a 20-year law-enforcement career, Brian identified pet sitting as a business opportunity that will allow him to continue working with both dogs and the public.

#### Anita Phillips

Anita's love of animals dates back to her childhood. Most of the time, her family had at least two dogs, as well as a number of cats. After high school, Anita spent seven years working for a Minneapolis-area pet store. Eventually, she attended Paul Roberts Community College, which offered a two-year Associates degree in veterinary technology. After graduation, she passed a credentialing exam and found employment with Golden Crest Animal Hospital, where she has spent the last 18 years. In that role, her responsibilities have included assisting veterinarians with procedures and performing a wide range of tests to diagnose and treat medical conditions in small animals. Anita has been thinking about establishing her own business for several years, and is confident that pet sitting is the right opportunity.

### Professional & Advisory Support

Pet Watchers has established a business banking account with Montgomery Ridge Community Bank, as well as a merchant account for accepting credit card payments. Legal services are provided by the firm of Smithfield & McCoy. Finally, Elliot James LLC will provide our business with tax advice.

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## GROWTH STRATEGY

We plan to grow Pet Watchers at a steady pace. Our objective is to identify reliable customers with whom we can build long-term relationships. Working from a small base of existing clients (we already pet sit for several people on an individual basis), we plan to grow as follows:

Year 1: 50 customers

Year 2: 125 customers

Year 3: 175 customers

Year 4: 225 customers

## PET SITTING BUSINESS

During year five, we will likely need to add an employee if we wish to continue growing our business. Another option at this point would be to franchise Pet Watchers, which is something that pet sitting businesses have done in other markets.

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## SERVICES

Pet Watchers provides a wide range of basic services, including:

- Companionship
- Special-Needs Pet Care
- Walking/Exercise
- Overnight Pet Sitting
- Medication Administration
- Basic Grooming
- Feeding/Watering
- Veterinary Visits
- Owner e-Mail Updates
- Kennel/Cage Cleaning
- Pet Waste Removal
- Plant Watering
- Newspaper/Mail
- Turning Lights On/Off

We care for many different kinds of small animals, including (but not limited to):

- Dogs
- Cats
- Fish
- Ferrets
- Rabbits
- Hamsters
- Guinea Pigs
- Gerbils
- Turtles
- Lizards
- Snakes
- Birds

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## MARKETING & SALES

Pet Watchers has developed a marketing plan that involves the following primary tactics:

1. Printed collateral describing our business.
2. A Yellow Page listing.
3. Relationship building with area veterinarians, groomers, trainers, and breeders in order to build a consistent referral base.
4. A Web site with complete details about our business and the services we offer.
5. Flyers distributed to local pet stores, veterinary offices, breeders, dog trainers, animal hospitals, and groomers to generate awareness of our services.
6. Direct mail campaigns to area pet owners. For this purpose, we will rent the names of subscribers to a popular pet magazine.
7. The submission of “success/human interest” stories to local media demonstrating how we have helped busy pet owners.
8. Birthday cards to the pets we care for on a regular basis, in order to build relationships with pet owners and encourage word-of-mouth referrals.
9. Because word-of-mouth referrals are the most significant source of new business, we will offer customers one free basic visit for each new customer we receive as a result of their referral.

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## OPERATIONS

### Process

Pet Watchers will follow a formal process with all of its new customers. We will begin by offering a free initial consultation with the pet owner, at which time information will be gathered about the animal(s) background/history, including health problems, behavioral habits, medications, washing/grooming, favorite toys, nutrition, etc. In addition, we will obtain the name of the pet’s veterinarian and discuss emergency care/first aid expectations. This information will be gathered on a simple intake form that we have developed.

In addition to gathering information, we will provide information about bonding and insurance, as well as a list of references. We will discuss our fees, and identify the specific services needed by the client. We will outline services in a written contract, to be signed by the pet owner and Brian or Anita Phillips. For new customers, we will require the payment of 50 percent of agreed-upon charges in advance, as well as a credit card number to which we can bill the remainder of charges upon successful completion of services.

Finally, Pet Watchers will make arrangements to obtain a key to the customer’s home, as well as alarm codes and any necessary remote controls for entry gates or garage doors.

### Facility & Location

Pet Watchers will operate as a home-based business. The Phillips have dedicated 100-square-feet of space for a home office, equipped with a personal computer, printer, telephone and voicemail system, and filing cabinet. No services will be provided directly in the Phillips’ home.

## PET SITTING BUSINESS

### Payment & Fees

Our business will charge \$20 for a daily home visit and \$50 for overnight stays. Transportation services (within a 15-mile radius of Montgomery Ridge) will be offered at a rate of \$20 per trip.

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## LEGAL

Pet Watchers is bonded and insured (documentation is available upon request). In addition, our business is registered with the appropriate local and state government agencies.

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## RESOURCES

We have consulted outside resources while planning to establish our new business. In addition to conversations with pet sitters in other markets, we have consulted the following sources of information:

Moran, Patti. *Pet Sitting for Profit*, 3rd ed. John Wiley & Sons, 2006.

Williams Duea, Angela. *How to Open and Operate a Financially Successful Pet Sitting Business*. Atlantic Publishing, 2008.

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## FINANCIAL ANALYSIS

The accounting firm Elliot James LLC has developed a spreadsheet (available upon request) to illustrate projected cash flow for Pet Watchers during the first year of operation. The statement includes data on sales, operating expenses, taxes, etc.

Pet Watchers will incur the following start-up expenses during its first year, which the Phillips will cover from personal savings.

### Start-up budget

Advertising and marketing	\$ 5,000
Fuel	\$ 2,750
Miscellaneous items	\$ 500
Legal	\$ 975
Accounting	\$ 750
Office supplies	\$ 325
Office equipment	\$ 725
Laptop computer/peripherals (2)	\$ 1,845
Liability insurance/surety bond	\$ 548
Internet-enabled mobile phones (2)	\$ 1,678
Membership dues and subscriptions	\$ 350
Total	\$15,446

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## REFERENCES

A list of references is available upon request.